



**DEPARTMENT OF BUSINESS AND OFFICE ADMINISTRATION**

**COURSE OUTLINE – WINTER 2020**

**BA2040 A3 INVESTMENT FUNDAMENTALS – 3 (3-0-0) 45 HOURS 15 WEEKS**

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**Office Hours:** Monday, Tuesday & Thursday 11:30 am – 12:30 pm

**CALENDAR DESCRIPTION:** This course covers the basic principles of investment and taxation. The course explores the structure of personal taxation including the calculations of income deductions and credits. The fundamental investment concept of risk and return, and different types of investment products available in the market place are topics included in this course.

**PREREQUISITE(S)/COREQUISITE:** BA1050 and BA1110, or consent of instructor.

**REQUIRED TEXT/RESOURCE MATERIALS:**

Fundamental of Investments: Valuation and Management E-Text  
8<sup>th</sup> edition, McGraw-Hill Ryerson. Jordan, Miller and Dolvin

All students must have access to **Connect**. You must have an access code in order to gain access to the online resources. McGraw-Hill Connect™ is a web-based assignment and assessment platform that gives students the means to better connect with their coursework, and with the important concepts that they will need to know for success now and in the future. Instructions to do this are available in the Welcome Module.

All students must have access to **Stock Trak**. You must have an access code in order to gain access to the online resources. Stock Trak is a web-based investment simulation platform that gives students the means to better connect with their coursework. Several assignments will be performed through Stock Trak. Instructions to do this are available in the Welcome Module.

**Sharp EL - 738 Calculator**

**DELIVERY MODE(S):** BA 2040 consists of three hours of lecture.

**COURSE OBJECTIVES:**

- Understand the application of portfolio diversification and risky asset allocation.
- Understand the application of fundamental analysis.
- Gain knowledge in derivative securities.
- Understand the application of portfolio management and the issue of measuring portfolio performance.

**LEARNING OUTCOMES:**

- The student will be able to calculate expected returns and variances for a security.
- The student will be able to calculate expected returns and variances for a portfolio.
- The student will understand the importance of portfolio diversification and the importance of asset allocation.
- The student will understand the difference between expected and unexpected returns.
- The student will understand the difference between systematic risk and unsystematic risk.
- The student will understand the security market line and the capital asset pricing model.
- The student will be able to calculate the best-known portfolio evaluation measures.
- The student will be able to calculate a Sharpe-optimal portfolio.
- The student will understand the basics of futures markets and how to obtain price quotes for futures contracts.
- The student will understand the risks involved in futures market speculation.
- The student will understand the basics of option contracts and how to obtain price quotes.
- The student will be able to price options using the one-period and two-period binomial models.
- The student will be able to price options using the Black-Scholes model
- The student will understand the basic types of corporate bonds.
- The student will be able to explain how callable and convertible bonds function.
- The student will understand the process of top-down analysis.
- The student will be able to explain the importance of the required rate of return.
- The student will be able to explain the relationship of monetary and fiscal policies to economic activity.
- The student will be able to identify industry sensitivity to business cycles.
- The student will be able to evaluate future industry prospects by analyzing the business cycle.
- The student will be able to define fundamental analysis at the company level.
- The student will be able to describe the importance of EPS forecasts.
- The student will be able to estimate the P/E ratio of a company.
- The student will be able to use the beta coefficient to estimate the risk of a stock.
- The student will be able to define options and discuss why they are used.
- The student will be able to describe how options work and give some basic strategies.
- The student will be able to describe the structure of futures markets.
- The student will be able to describe the steps involved in the portfolio management process.
- The student will be able to assess related issues such as asset allocation.
- The student will be able to use measures of return and risk to evaluate portfolio performance.

## TRANSFERABILITY:

- [Athabasca University: FNCE 249 \(3\)](#)
- [DeVry Institute of Technology - Calgary: FIN 2TR \(3\)](#)
- [MacEwan University: FNCE 2xx \(3\)](#)
- [University of Lethbridge, The: MGT 2xxx \(3\)](#)

**\*Warning:** Although we strive to make the transferability information in this document up-to-date and accurate, **the student has the final responsibility for ensuring the transferability of this course to Alberta Colleges and Universities.** Please consult the Alberta Transfer Guide for more information. You may check to ensure the transferability of this course at Alberta Transfer Guide main page <http://www.transferalberta.ca> or, if you do not want to navigate through few links, at <http://alis.alberta.ca/ps/tsp/ta/tbi/onlineSearch.html?SearchMode=S&step=2>

**\*\* Grade of D or D+ may not be acceptable for transfer to other post-secondary institutions. Students are cautioned that it is their responsibility to contact the receiving institutions to ensure transferability**

## EVALUATIONS:

### Grading Break-Down

Homework Assignments	10%
Stock Market Game	15%
Quizzes	10%
Exam #1	27%
Final Exam	<u>38%</u>
	100%

### Assignment, Quiz and Exam Policies:

#### Assignments

- There will be CONNECT homework assignments dispersed throughout the semester (see schedule for dates). Each homework assignment will be weighted equally of the student's final grade, regardless of the length of the assignment. The combined assignments will account for 10% of the student's final grade. The student will have a maximum of 2 attempts at each assignment.
- The CONNECT assignments will be marked immediately and the student will receive their grade immediately. Corrections for the attempted assignment will be made available immediately for the student.
- A Stock Market Game will be played throughout the semester and will account for 15% of the student's final grade. Rules for the game will be provided in class.
- The Stock Market Game must be completed in accordance with rules set for the Game.
- All assignments must be completed before the expiration of the pre-set due date or the student will receive a mark of zero for any missed assignments.

## Quizzes/Exams

- Each chapter covered in the text(s) will have an associated quiz that the students must complete.
- The quizzes will mostly be theory based multiple choice questions, each worth one mark.
- It is imperative for the student to study and complete the questions at the back of each chapter to be successful at these quizzes.
- There will be 4 quizzes that will account for 10% of the student's final grade. See CONNECT or your detailed course schedule for the breakdown of the quizzes.
- The quizzes will be marked and corrections for the attempted quiz will be made available to the student after the due date.
- All quizzes must be completed before the expiration of the pre-set due date or the student will receive a mark of zero for any missed quizzes (see schedule for dates).
- Once the quiz has been started, you must complete the entire quiz within the 60-90minute time limit. Logging off or losing the internet connection during the exam will result in a grade based only on the proportion of the exam that has been completed. **It is imperative that the student has a reliable internet connection when attempting an exam. This is the responsibility of the student, not the instructor.**
- The student will be given two attempts at each quiz.
- **All assignments, quizzes and exams will be written as scheduled. No rewrites will be given.** If there is an excusable absence, the weighting of the missed exam will be added to the final exam weighting. If the absence is not excusable, a grade of 0% will be given.
- Any exam or assignment mark that that a student may wish to contest must be done so within 5 business days after the exam/assignment has been marked. Any exams/assignments contested after this time frame will not be given consideration.
- In order to get the most out of class regular attendance and active participation is encouraged. Repeated lateness will be viewed similar to an absence in class. Disruptive behavior will also be viewed as "not professional" and the student will be asked to leave the classroom, resulting in a marked absence....i.e. excessive/disruptive talking, texting, taking phone calls, ect.
- Students are expected to demonstrate professional conduct for the duration of the course. Some aspects of this include the following: attending each class and arriving on time, restricting discussions in class to the current course material, keeping mobile phones in the "off" or "silent" modes, and not placing or answering calls, text messages, or emails during class time. Unprofessional conduct is disruptive to the learning environment and makes mastering the course material more difficult for all students. If behavior is deemed to be disruptive to the classroom environment, the student will be required to leave.
- Missed content, due to missed classes (excused or unexcused), is the responsibility of the student.
- Photographing and/or recording course content is strictly prohibited.
- Final examinations will be scheduled by the registrar's office. **Do not plan any activities during examination week.**

**GRADING CRITERIA:**

Please note that Universities will not accept your course for transfer credit **IF** your grade is **less than C-**. This means **DO NOT GET LESS THAN “C-” IF YOU ARE PLANNING TO TRANSFER TO UNIVERSITY.**

<b>Alpha Grade</b>	<b>4-point Equivalent</b>	<b>Percentage Guidelines</b>		<b>Alpha Grade</b>	<b>4-point Equivalent</b>	<b>Percentage Guidelines</b>
A+	4.0	90-100		C+	2.3	67-69
A	4.0	85-89		C	2.0	63-66
A-	3.7	80-84		C-	1.7	60-62
B+	3.3	77-79		D+	1.3	55-59
B	3.0	73-76		D	1.0	50-54
B-	2.7	70-72		F	0.0	00-49

**COURSE SCHEDULE / TENTATIVE TIMELINE:**

<b>Dates BA 2040</b>	<b>Chapter Covered</b>	<b>Assignments *See CONNECT for Assignment Due Dates</b>	<b>Quizzes *See CONNECT for Quiz Due Dates</b>	<b>Exams</b>
Jan. 6 – 12	Chapter 11			
Jan. 13 – 19	Chapter 11	Assignment #1 Ch. 11 Jan. 19		
Jan. 20 – 26	Chapter 12			
Jan. 27 – Feb. 2	Chapter 12	Assignment #2 Ch. 12 Feb. 2	Quiz #1 Ch. 11 & 12 Feb. 2	
Feb. 3 – 9	Chapter 13			
Feb. 10 – 16	Chapter 13/14	Assignment #3 Ch. 13 Feb. 16		
Feb. 17 - 23	<b>READING</b>	<b>WEEK</b>	<b>NO</b>	<b>CLASSES</b>
Feb. 24 – Mar. 1	Chapter 14	Assignment #4 Ch. 14 March 1	Quiz #2 Ch. 13 & 14 Feb.28	
March 2 – 8	Chapter 15 (March 4)			<b>EXAM (27%) March 2 Ch. 11 -14</b>
March 9 – 15	Chapter 15/16	Assignment #5 Ch. 15 March 15		
March 16 – 22	Chapter 16	Assignment #6 Ch. 16 March 22	Quiz #3 Ch. 15 & 16 March 22	
March 23 – 29	Chapter 17			
Mar. 30 – Apr. 5	Chapter 17/18	Assignment #7 Ch. 17 April 5		
April 6 – 12	Chapter 19		Quiz #4 Ch. 17, 18 & 19 April 5	
April 15 – 25				<b>Final Exam (38%) Ch. 11 – 19</b>

## **STUDENT RESPONSIBILITIES:**

### Academic Regulations

#### **Debarred From Exams**

“You may be **refused permission to write a final examination** in a course on the advice of the instructor concerned. This usually happens when absences are excessive or if significant parts of required assignments or lab work are not completed.” **The definition of excessive absences in this class will be more than 4 absences.**

- **It is the student’s responsibility to arrive on time and remain for the duration of scheduled classes and related activities.**
- **It is the student’s responsibility to respect the instructor’s right to enforce the attendance requirements for the course.**
- **It is the student’s responsibility to respect the instructor’s right to determine the course content, instructional methodology, evaluation procedures and the frequency of evaluation within the guidelines set for the course and approved by the department.**
- **It is the student’s responsibility to respect the instructor’s right to set deadlines for assigned work, to expect assignments to be submitted at the times specified, and to establish penalties for failure to comply with deadlines.**
- **It is the student’s responsibility to respect the instructor’s right to expect assignments to be neatly presented (typed or, if hand-written, double spaced) with appropriate identification (name, student number, course title).**
- **It is the student’s responsibility to respect the instructor’s right to expect that any work submitted by a student is his/her own. It is the student’s obligation to know what plagiarism and other forms of cheating are, and to know the consequences.**
- **It is the student’s responsibility to write tests and final examinations at the times scheduled by the instructor or the Office of the Registrar.**
- **It is the student’s responsibility to complete course work and assignments missed when absent. Participation in optional activities such as athletic events or student exchanges, etc. does not reduce the student’s academic responsibility.**
- **It is the student’s responsibility to familiarize him/herself with the procedures to be followed when writing College examinations.**
- **It is the student’s responsibility to respect the instructor’s right to appropriate classroom deportment by all students. Should a student be disruptive and/or disrespectful, the instructor has the right to take action to exclude the disruptive student from learning**

### **Academic Grievance**

If you feel the actions of an academic staff member are affecting your academic standing, you are encouraged to seek advice and follow the procedures detailed in the Student Academic Grievance Policy. All discussions regarding your concerns are bound by a code of professional ethics that demands confidentiality unless you specifically give permission in writing for the information to be shared.

Normally, you will be encouraged to approach the instructor to share your concern. If satisfaction is not achieved as a result of the discussion with the instructor, you are encouraged to carry the concern to the Chair of the Department. The Chair will normally meet with you and the instructor to facilitate a timely resolution to the issue. You may request the presence of an advocate at this stage or at any other stage in the grievance process.

If your concerns are not resolved by these informal processes, the Chair of the Department will ask you to prepare a written statement of the grievance which clearly indicates the outcome you expect and the appropriate Academic Dean shall try to negotiate the resolution. This step normally moves your concern into the formal grievance processes. At this stage you will want to ensure that you have a complete copy of the Student Academic Grievance Policy.

Students have the right to fair and equitable procedures for resolving matters affecting academic standing. The Student Academic Grievance Policy is available on the College website at [www.gprc.ab.ca](http://www.gprc.ab.ca).

### **Copyright**

Students must obey the Canadian Copyright Act. If you require specific information about copyright, please consult the Library Digital Production Technician or the Library Reference person on duty. GPRC's policy and guidelines for academic use of copyright-protected works may be found on the Library website.

### **Academic Dishonesty**

The College expects intellectual honesty from its students. Intellectual honesty demands that the contribution of others be acknowledged. To do less is to cheat. Intellectual dishonesty undermines the quality of academic activity and accordingly, the College has adopted appropriate penalties for student misconduct with respect to plagiarism and cheating. Penalties are levied according to the degree of the infraction. If you are unsure whether a particular course of action might constitute plagiarism, you are advised to consult with the instructor.

### **STATEMENT ON PLAGIARISM AND CHEATING:**

Cheating and plagiarism will not be tolerated and there will be penalties. For a more precise definition of plagiarism and its consequences, refer to the Student Conduct section of the College Admission Guide at <http://www.gprc.ab.ca/programs/calendar/> or the College Policy on Student Misconduct: Plagiarism and Cheating at [www.gprc.ab.ca/about/administration/policies/\\*\\*](http://www.gprc.ab.ca/about/administration/policies/**)

**\*\*Note:** all Academic and Administrative policies are available on the same page.



## Cheating

Cheating on tests or examinations includes, but is not limited to, the following:

- dishonest or attempted dishonest conduct such as **speaking to other students or communicating with them under any circumstances whatsoever**
- bringing into the examination room a textbook, notebook, memorandum, other written material or mechanical or electronic device not authorized by the examiner or instructor
- writing an examination, or part of it, outside the confines of the examination room without permission to do so
- consulting any person or materials outside the confines of the examination room without permission to do so
- leaving answer papers exposed to view, or any attempts to read other students' examination papers
- tampering or attempts to tamper with examination scripts, class work, grades and/or class records; the acquisition, attempted acquisition, possession, and/or distribution of examination materials or information not authorized by the instructor
- Impersonation of another student in an examination or other class assignment.
- **Absolutely no examination materials may be removed from the examination room.** All papers, answer forms and examination question sheets must be returned to the instructor. If students leave the examination room for any reason unacceptable to the instructor, they must hand in all examination materials and it will be assumed that the examination is completed.

If students voluntarily and consciously aid another student in the commission of one of these offenses they are also guilty of misconduct. Any attempt to commit academic misconduct will bear the same consequences as if the act occurred. A student who assists another student in an act or attempted act of misconduct will also be considered to have committed an offense.

## Plagiarism

Plagiarism means submitting work (words, ideas, images, or data) in a course as if it were their own work done expressly for that particular course when, in fact, it is not. Most commonly, plagiarism exists when:

- the work submitted or presented was done, in whole or in part, by an individual other than the student (this includes having another person impersonate the student or otherwise substitute the work of another for their own in an assignment, examination, or test)
- Parts of a student's work are taken from another source without reference to the original author. This includes ideas, words, and images appearing in print, digital, graphical, internet, audio and video formats
- students submit or present the work in one course which has also been submitted in another course (although it may be completely original with the student) without the prior agreement of the instructor
- Clinical or laboratory reports are falsified or fabricated.

While it is recognized that academic work often involves reference to ideas, data and conclusions of others, intellectual honesty requires that such references be explicitly and clearly noted.

Instructors may choose to use online plagiarism detection services. When students submit a paper, it is understood that they are consenting to such a procedure and that they cannot claim any copyright violation should such paper be uploaded to an online plagiarism detection database.